

the Senator from Missouri and I support. The TNI is participating in the E-IMET program which Congress has funded at the level requested by the Bush administration.

Our law also does not prevent military exercises and other contacts with the U.S. military through officer visits, educational exchanges, and port visits. Perhaps the most visible evidence of this is the U.S. military working side by side with the TNI during the ongoing humanitarian relief operations in Aceh.

With respect to training, U.S. law restricts only the full restoration of regular IMET assistance until the Indonesian Government and the TNI "are cooperating" with the FBI's investigation into the August 31, 2002, murders of two American citizens and one Indonesian citizen. By "cooperating," we obviously mean not simply cooperating in limited ways, but fully cooperating. I am concerned with reports that the TNI may have conspired with the shooters in that case, and that the one Papuan individual who has been indicted, who is not a member of the TNI, remains at large even though his whereabouts are reportedly known to the TNI.

With respect to equipment, our law does not restrict the sale of non-lethal equipment to the TNI. Specifically, with regard to spare parts for the C-130's, there has been no change in U.S. law, although I am told that there may have been a relaxation of this administration's policy. Our law does not and never has prevented the sale of spare parts for these aircraft for humanitarian purposes. Over 4 years ago, when the TNI first requested to purchase C-130 spare parts for "search and rescue" missions, the U.S. Ambassador and I, as well as, I am told, the Secretary of Defense, informed the Indonesians that this was not prohibited by either U.S. law or policy and that they could purchase these parts from us. For reasons the Pentagon is aware of, the TNI decided to obtain them elsewhere.

The only conditions on the sale of lethal equipment are that the Indonesian Government is prosecuting and punishing members of the TNI for gross violations of human rights, and that the TNI is (1) taking steps to counter international terrorism consistent with democratic principles and the rule of law; (2) cooperating with civilian judicial authorities and with international efforts to resolve cases of gross violations of human rights; and (3) implementing financial reforms to deter corruption.

There are good reasons for these limited conditions. The United States has provided hundreds of millions of dollars in training and equipment to the Indonesian military since the 1950s. Despite the close relationship that developed between the U.S. military and the TNI over four decades, the TNI acquired a reputation for being notoriously abusive and corrupt. After the TNI murdered some 200 civilians in a

cemetery in Dili, East Timor in 1992, our IMET assistance was cut off. Our relations with the TNI were further curtailed in 1999, after the independence referendum in East Timor when the TNI orchestrated widespread killings and the destruction of property. Although senior TNI officers have repeatedly vowed to support reform, they have done next to nothing to hold their members accountable for these heinous crimes. Instead, the TNI has consistently obstructed justice.

I should note that these conditions do not apply to the Indonesian navy. Congress specifically exempted the navy because enhancing maritime security is a critical priority.

There are also credible reports that after 9/11, the TNI provided support to radical Indonesian groups that have been involved in terrorism.

Since 1999, restrictions on our relations with the TNI have been narrowed, and today, as I mentioned, we have a wide range of military-to-military activities.

I am disappointed that some Pentagon officials and my friend from Missouri, rather than acknowledging the extent of the United States-Indonesia military relationship and urging the TNI to demonstrate that it is serious about reform by meeting these reasonable conditions, have expressed support for weakening our law.

Indonesia's new President Yudhoyono is a career military officer. He has a reputation as a reformer, and I wish him well. I have always supported substantial economic assistance to Indonesia. In fact, Senator MCCONNELL, the Chairman of the Foreign Operations Subcommittee, and I have worked to increase this assistance.

Prior to President Yudhoyono's election, there were some important reforms which reduced the TNI's influence in politics. But a key gap remains regarding justice for the victims of atrocities, including crimes against humanity. This is the focus of our law, and it is as important to Indonesia and the TNI as it is for the United States. I believe that President Yudhoyono should agree and want the TNI to make these necessary reforms.

I applaud the U.S. military and the TNI for working together to bring aid to tsunami victims in Aceh. But just as our policy should promote cooperation in humanitarian operations and in counterterrorism, so should it promote respect for human rights, accountability, and the rule of law. These are fundamental to the freedom and democracy that President Bush spoke of in his inaugural address. Our law, which was narrowly written to provide an incentive for reform while allowing military contacts to continue, strikes the right balance.

EXHIBIT 1

IMET/E-IMET

(Allocated FY 04 \$599,000; Requested for FY 05 \$600,000.)

The International Military Education and Training (IMET) program continues to be re-

stricted for Indonesia. However, training is allowed with IMET funding for Expanded-IMET (E-IMET) courses for both military and civilians.

E-IMET courses have included a wide range of programs, including seminars, in-country Mobile Education Teams, and Masters Programs at Naval Postgraduate School. Topics have included defense management, national security affairs, defense restructuring, civ-mil relations, resource management, military law, peacekeeping operations, and other important topics.

COUNTER-TERRORISM FELLOWSHIP PROGRAM (CTFP)

Largest CTFP Program in the world. (Allocated FY B04 \$500,000; Supplemental \$386,826; FY B05 Allocation \$600,000.) (Allocated B02 "No Year" funds in 2002: \$3.7 million; Current Remaining \$702,000.)

Note this Remaining B02 money is Programmed through FY 05 and FY 06.

In the FY02 Defense Appropriations Act, the Regional Defense Counter-Terrorism Fellowship Program was established under section 8125.

Both civilian and military officers participate in a wide variety of courses and seminars under this program designed to improve the professionalism and management skills of TNI. CTFP training programs include intelligence cooperation, national level decision-making, civil-mil cooperation in combating terrorism, and maritime security, as well as Indonesian attendance at US Staff Colleges, War Colleges, National Defense University, and English language training and materials.

THEATER SECURITY COOPERATION PROGRAM

(Funding provided from various sources per event.)

Indonesian is an active participant in U.S. Pacific Command TSCP activities, to include regional workshops and seminars promoting cooperation on security issues, Counter-Terrorism seminars and workshops, peacekeeping workshops, and Subject Matter Expert Exchanges.

Activities are limited to non-lethal, non-combat related events.

In close cooperation with both the ODC and the Defense Attache Office, PACOM has developed a more robust TSCP program over the next two years in order to broaden our engagement with TNI and other agencies within GOI.

Indonesian participation has increased from Zero events in FY 00 to more than 85-events in FY 04, and more than 132 programmed in FY 05.

FOREIGN MILITARY SALES/FOREIGN MILITARY FINANCING

Foreign Military Sales (FMS): Remain frozen by USG policy. There remain 38 active cases with an FMS balance of \$ 3.5 mil.

Foreign Military Financing (FMF) and other grant programs, such as eligibility for Excess Defense Articles (EDA), remain restricted by legislation.

(\$11.3 mil requested for FY 06; \$6 million recommended by interagency for FY 06; focus is maritime security and C-130 parts.)

Direct Commercial Sales (DCS): USG policy has established "carve-outs" for specific categories of defense hardware, such as C-130 spare parts, non-lethal equipment, and "safety of use" items for lethal end items (an example would be CAD/PADs, propellant cartridges for ejection seats on fighter aircraft). (\$928,709 released by DSCA from FMS funds 04 Jan 05 for Tsunami relief/repair of C-130s.)

TRADE MISSION TO NEW ZEALAND AND AUSTRALIA

Mr. BAUCUS. Mr. President, I rise to share some observations on my recent

trade mission to Australia and New Zealand.

In May 2004, the United States and Australia signed a historic free-trade agreement. That agreement went into force on January 1, 2005, lowering trade barriers and opening new markets for goods, services, and agriculture.

This agreement opens the door to a greater relationship with one of the most vibrant and promising economies in the world.

For Australia, it offers integration with the world's largest economic power. For the United States, it offers a link to an Australian market that has one of the highest standards of living in the world—and one of the few large economies with whom the U.S. enjoys a trade surplus.

Further benefits will accrue to U.S. exporters from using Australia as a platform for more efficient access to Asian markets.

Australia has for years pursued a strong policy of economic engagement in the Asia-Pacific region. It has completed, or is currently negotiating, trade agreements with several key countries in the region. This network of trade relationships will increase the value of the free trade agreement to U.S. exporters and investors in Australia.

The free-trade agreement further cements the relationship between the United States and one of its strongest allies in the world. Australia is a major partner with the U.S. in global antiterrorism efforts. It is a significant partner in Iraq.

It is also one of our most important partners within the WTO. As a leader of the Cairns Group, a loose association of major agriculture exporting countries, Australia has been a reliable ally in our fight for reform of global agriculture markets.

I believe in economic engagement and in trade. Reducing barriers and opening markets creates opportunities and jobs. It helps spread the values of democracy and international cooperation.

But the benefits of trade do not come without challenges. In the case of Australia, it is our agriculture sector that was initially concerned about the challenges a free trade agreement might pose. This is particularly true in Montana, where agriculture makes up about one half of the State's economy.

That is why I worked hard to make sure the United States-Australia Free-Trade Agreement was a good deal for the United States and a good deal for Montana. By working with negotiators from both Governments, I was able to include strong provisions that leveled the playing field for Montana's agriculture industry in the deal, while also assuring Montana's businesses access to tremendous new market opportunities.

With a strong deal in place, it was a good time to see for myself what new opportunities are available in Australia and to start making the free-trade agreement work for Montana.

Joining me were a group of nine Montana business and agriculture leaders—representing the full range of our State's economy, including manufacturing, agriculture, tourism, and services. They were: Montana Chamber of Commerce president Webb Brown, from Helena; Greg Dumontier of St. Ignatius, general manager of S & K Technologies; David Cameron of Bozeman, a rancher and retired biologist with Montana State University; Steve Holland, director of the Montana Manufacturing Extension Center in Bozeman; Fraser McLeay, senior manager with the Montana World Trade Center in Missoula; Lillian Ostendorf of Powderville, State Women's Committee chair with the Montana Farm Bureau; Mike Overstreet of Billings, chairman of the board and vice president of international relations for Corporate Air; Jeff Ruffner of Butte, senior vice president and general manager with MSE Technology Applications; and Kathy Brown, property manager with Project Management in Helena.

Also joining the delegation were several representatives of some of our largest national companies with operations in Australia and the Asia-Pacific region. They were: David Beier, senior vice president for global government affairs for Amgen, Inc.; Lionel Johnson, vice president and director, International Government Affairs, for Citigroup, Inc.; Thomas Quinn, partner with the law firm Venable, representing U.S. Tobacco; and Elizabeth Schwartz, vice president for legislative affairs for the Boeing Company.

The goal of our trade delegation was to meet with business and government leaders, build relationships, find opportunities, and discuss solutions to common challenges. We met with great success.

A highlight of the visit was a meeting of the entire delegation with Australian Prime Minister John Howard at Parliament House in Canberra.

I was very pleased to have the opportunity to personally thank Prime Minister Howard for working with me to address Montana's interests in the free-trade agreement. We also explored ways Australia and the United States can work together to advance our mutual interests in the World Trade Organization, the Asia-Pacific Economic Forum, and the Asia-Pacific region.

In Sydney, members of the delegation were able to benefit from the experience of AmCham members doing business in Australia and of the U.S. Commercial Service. Many participated in individual business meetings with counterparts or potential customers in Sydney, Melbourne, and Brisbane.

Our thanks go out to the U.S. Embassy and Consulate staffs in Canberra, Sydney, and Melbourne for all their hard work making this such a productive and meaningful trip for me and for each member of the delegation. I particularly want to thank U.S. Ambassador to Australia J. Thomas Schieffer for his hospitality and assistance.

I also thank Australian Ambassador to the United States Michael Thawley and his staff in Washington for all their help in making the trip such a success.

During the negotiations of the United States-Australia Free-Trade Agreement, Ambassador Thawley and Adam McCarthy from his staff made several trips to Montana. They met with our state officials, business and agriculture groups, and were able to contribute to their own negotiators' sensitivity to Montana's goals in the negotiations. The results were, I believe, in the best interests of both Montana and Australia.

I am excited about future prospects for trade and cooperation with Australia. Australia is a large market for American manufactured goods and services and promises to become an even larger one. For example, Australia is fast becoming a major market for Montana's growing high tech and services industries, including media products, environmental consulting, and engineering.

In addition, from Montana's perspective, one of the most important aspects of the new trade agreement goes beyond its market access provisions: it is Australia's commitment to support the United States in its efforts to negotiate disciplines on state trading enterprises in the WTO Doha Round.

State trading enterprises like the Canadian Wheat Board and the Australian Wheat Board give agricultural producers in those countries unfair advantages when competing with our world class Montana agricultural products in global markets.

I also used the visit as an opportunity to promote cooperation between Australia and the United States on a broader range of multilateral and regional trade and economic issues.

Australia and the United States have a mutual interest in promoting a broad vision of Asia-Pacific economic integration. We are both Pacific powers, but not Asian.

If we neglect our ties with Asia, we risk a narrow Asian economic integration that deprives our businesses of the most preferential access to these growing markets. I challenged the Government and the private sector in Australia to be our partners in broadening that vision.

Our trade efforts also led us to New Zealand. While not as big a country as Australia, New Zealand is an important trading partner for the United States. In 2003, merchandise trade between the two countries exceeded \$4 billion. There was an additional \$2 billion in trade in the service sector.

Exports of Montana products to New Zealand increased more than sevenfold over the last 5 years. Equally important to Montana, New Zealand kept a cool head and did not overreact to the recent BSE scare with a ban on U.S. beef—a major product in my State and critical to our economy.

More importantly, New Zealand is a vital piece in the Asian puzzle. Just as

with our relationship with Australia, an enhanced commercial relationship between the United States and New Zealand would offer yet another platform for increased exports to the growing markets in places like China, Thailand, Taiwan, and Malaysia.

That is why I have long been an advocate for closer economic ties between our countries. In fact, back in 2001, I introduced legislation to authorize fast-track consideration of a free-trade agreement with New Zealand.

The New Zealand Government has been actively pursuing a free-trade agreement with the United States for several years. Up until recently, they have been rebuffed by the Bush Administration for reasons having nothing to do with the potential economic merits of such an agreement.

I disagree with that approach. I believe that trade agreements should be pursued or not pursued primarily on the basis of their economic merit.

I thought it was time to allow the Government of New Zealand to make its case. And so I brought my trade delegation to New Zealand to meet with Government officials and business representatives, to explore market opportunities, and to build new relationships.

As in Australia, a highlight of the visit was my meeting with New Zealand Prime Minister Helen Clark. Prime Minister Clark and I discussed prospects for a bilateral free-trade agreement and also exchanged views on how the United States and New Zealand can cooperate on regional and multilateral trade issues.

I told the Prime Minister that I think a free-trade agreement between the United States and New Zealand makes sense—so long as it is the right agreement. And the Australia Free-Trade Agreement—with its strong protections for Montana agriculture—is the right model to follow.

Australia and New Zealand share a common market. For that reason, it would have made sense to include New Zealand in the United States-Australia Free-Trade Agreement in the first place.

The Administration settled for 80 percent of the Australia-New Zealand market, when it could have had 100 percent. But that is in the past, and Prime Minister Clark and I agreed that we need to look forward.

During my visit, I was also privileged to meet, along with members of my delegation, with New Zealand's Minister of Agriculture and Trade Negotiations Jim Sutton and Minister of Foreign Affairs and Trade Phil Goff. I appreciate the useful and wide-ranging discussions that we shared.

In New Zealand, the trade delegation was able to visit several cutting-edge agricultural facilities, including a revolutionary robotic milking station, an advanced agricultural research station, and an agricultural technology incubator. Many of the Montanans who participated in the trip have gone home

with new ideas that will help them both emulate and compete with their New Zealand counterparts.

My sincere thanks go out to our hosts, the Government of New Zealand, for their great hospitality. I also thank the U.S. Embassy and Consulate staffs in Wellington and Auckland for all their hard work putting together a fantastic schedule for a whirlwind 2-day visit. I particularly want to thank U.S. Ambassador to New Zealand Charles Swindells for his advice and assistance.

Finally, I thank New Zealand Ambassador to the United States John Wood as well as Ian Hill and Janette Malcolm from the New Zealand Embassy in Washington for all their help in making the trip such a success.

After all the government meetings, tours of agricultural facilities, and discussions with business groups, I came away believing that the right free-trade agreement with New Zealand makes sense for the United States and makes sense for Montana.

Like Australia, New Zealand is a strong market for American manufactured goods and services. Like Australia, New Zealand can serve as a launching pad for reaching Asian markets. And New Zealand is a developed country with a strong legal system, which sets the stage for a high-standards agreement.

You may not guess this, but from Montana's standpoint, New Zealand is a more important market, relatively speaking, than it is for the United States as a whole. While New Zealand is the United States' 49th largest trading partner, it is one of Montana's top 25 export markets—not far behind Malaysia, and more important than Thailand or the Philippines.

That doesn't mean it would be easy. I know that negotiating a free-trade agreement with New Zealand would raise sensitive issues for Montana's farmers and ranchers, several of whom joined me on the trip. But I also know that facing difficult trade issues pays off in the end.

That is because—in the end—trade means jobs.

There are tremendous opportunities in the Australia and New Zealand markets awaiting those Americans intrepid enough to seek them out. Increased trade will generate jobs and good-paying ones at that.

I want Montana to participate in and benefit from an enhanced trading relationship with these countries.

Yet, in a more general sense, these enhanced relationships are about openness.

While historians like to talk about the past 100 years as the "American Century," Americans are anxious about the challenges facing our country. We wonder whether our children and grandchildren will enjoy the same standard of living we have known.

Faced with this uncertainty, some Americans look at the Pacific Rim and see danger. They see the rise of China's and Asia's economic prowess as a threat to American prosperity.

But we have never been a nation that succeeds only by the economic failure of others.

We used the Marshall Plan to help pull Europe out of economic distress—and have benefited enormously. We believed that capitalism would win the Cold War—and it did.

Now China, Vietnam, Russia, and others are beginning the transition to a free market economy. This is a positive development—not one to fear.

To me, the challenge is elementally about whether we will meet the future with open minds and open arms, or whether we will turn inward and seek shelter from the inevitable storms that change always brings.

America has never shied away from engagement with the rest of the world. We have been successful because we are confident, innovative, positive, and open. We can only lose our place in the world if we forget who we are and forget how we got here in the first place.

That is why I will continue to work for an open trade policy. It is why I will continue to fight hard for Montana's place in the world.

It is also why I think it is so important to take these trade missions abroad. In the past couple of years, I have led missions to Cuba, Japan, China, and Thailand. This time, we went to Australia and New Zealand.

Every trip has brought success. Each trip has opened doors for Montana business. And discovering the potential in any market or relationship ultimately is what makes trade work for Montana, as well as for the United States.

40TH ANNIVERSARY OF THE CONSERVANCY OF SOUTHWEST FLORIDA

Mr. NELSON of Florida. Mr. President, I rise today to congratulate the Conservancy of Southwest Florida for its 40th year of service in protecting the environment of my great State. In 1964, citizens joined together to save Rookery Bay from over-development, and since that day the conservancy and its many supporters have worked to preserve the breathtaking natural habitat and the quality of life in southwest Florida.

The Conservancy of Southwest Florida has created so many wonderful institutions that all Floridians, young and old can enjoy. This includes the Conservancy Nature Center, which allows kids and adults alike to work hands-on to learn about the ecosystem and the varied wildlife that inhabits the area. Whether it is testing water quality, acquiring at-risk lands or rehabilitating nearly 2000 animals a year, the conservancy makes Florida a better place to live.

Throughout my years in public service, the conservancy has been an ally and a friend in the work of preserving Florida's natural resources. I hope that for the next 40 years and beyond, this wonderful organization will continue